



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 29, 2000

Neldon Kunz
Mine Superintendent
American Gilsonite Company
Bonanza Operations
HC 73 Box 28
Vernal, Utah 84078-9284

Re: Clarification of 90-day Time Frame for Completion of Detailed Reclamation Surety Review,
American Gilsonite Company (AGC), Bonanza Operations, M/047/010, Uintah County, Utah

Dear Mr. Kunz:

This letter is intended to clarify the 90-day time frame mentioned in the Division's July 19, 2000 letter, and in response to your phone conversation of August 23, 2000, with Tony Gallegos of the Division staff. In the phone conversation you mentioned that after the Division has arrived at a revised surety amount, AGC will need a minimum of 90 days to have a new surety amount posted. This additional time is needed by AGC due to the surety arrangement with Chevron as part of the sales agreement.

The Division's July 19, 2000 letter requested the completion of the detailed surety review within 90 days, but not necessarily the posting of a replacement surety. The additional time needed for AGC to actually post a replacement surety (90 days) is acceptable, provided the existing surety remains in place until the replacement surety has been accepted by the Division.

If you have any questions regarding this letter, please contact me at (801) 538-5286, or Tony Gallegos at (801) 538-5267. Thank you for your continued cooperation.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

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cc: Will Stokes, SITLA
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